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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/920,573	07/31/2001	Michael Schwankl	003801.P058	4235

21186 7590 05/11/2009
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EXAMINER

MILEF, ELDA G

ART UNIT	PAPER NUMBER
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3692

MAIL DATE	DELIVERY MODE
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05/11/2009

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/920,573	Applicant(s) SCHWANKL ET AL.	
	Examiner Elda Milef	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 July 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-62 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-62 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>7/10/2007</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-60 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

A claimed process is eligible for patent protection under 35 U.S.C. § 101 if:

"(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines. '); Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' '); Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').⁷ A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article to a specified different state or thing by applying a fundamental principle would not pre-empt the use of the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article." (*In re Bilski*, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))

Also noted in *Bilski* is the statement, “Process claim that recites fundamental principle, and that otherwise fails ‘machine-or-transformation’ test for whether such claim is drawn to patentable subject matter under 35 U.S.C. §101, is not rendered patent eligible by mere field-of-use limitations; another corollary to machine-or-transformation test is that recitation of specific machine or particular transformation of specific article does not transform unpatentable principle into patentable process if recited machine or transformation constitutes mere ‘insignificant post-solution activity.’” (*In re Bilski*, 88 USPQ2d 1385, 1385 (Fed. Cir. 2008)) Examples of insignificant post-solution activity include data gathering and outputting. Furthermore, the machine or transformation must impose meaningful limits on the scope of the method claims in order to pass the machine-or-transformation test. Please refer to the USPTO’s “Guidance for Examining Process Claims in view of *In re Bilski*” memorandum dated January 7, 2009,

http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski_guidance_memo.pdf .

It is also noted that the mere recitation of a machine in the preamble in a manner such that the machine fails to patentably limit the scope of the claim does not make the claim statutory under 35 U.S.C. § 101, as seen in the Board of Patent Appeals Informative Opinion *Ex parte Langemyr et al.* (Appeal 2008-1495), <http://www.uspto.gov/web/offices/dcom/bpai/its/fd081495.pdf> .

Claims 1-30 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing, thereby failing the machine-or-transformation test; therefore, claims 1-30 are non-statutory under § 101.

Claims 31-54, 55-60: Computer programs claimed as computer listings per se, i.e., the descriptions or expressions of the programs, are not physical "things." They are neither computer components nor statutory processes, as they are not "acts" being performed. Such claimed computer programs do not define any structural and functional interrelationships between the computer program and other claimed elements of a computer which permit the computer program's functionality to be realized.-see MPEP §2106 IV B 1(a).

Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-24, 31-44, 55-60 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Re claim 1: The following limitation is indefinite: responsive to a detection of the correspondence by the matching operation, automatically performing a transaction facilitating operation to facilitate establishment of a transaction whereby the pre-order is satisfied by the offer to sell the item. The scope of the claim is unclear because the claim is not positively reciting if a transaction takes place based on the matching operation. Is the transaction taking place or not?

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Re claims 31, 55: The claims are unclear because they do not achieve the result disclosed in the preamble. The claims recite a system in the preamble yet the body of the claim has no apparatus parts, no structure, and no hardware.

The remaining claims are rejected because of their dependency to the rejected claims.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1, 2, 6-17, 19, 21-32, 36-47, 49, 51-62 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gillman (PG. Pub. No. 2002/0147674).

Re claim 1: Gillman discloses:

recording a pre-order relating to an item at the transaction facility, the pre-order specifying a plurality of pre-order attributes (“In the reverse auction, the buyer preferably specifies a good and/or service to be provided by a supplier.”)-see para. 11, (“RFQ (Request for Quote)”), para. 13 and para. 30;

receiving an offer to sell the item at the transaction facility, the offer specifying a plurality of offer attributes (to which interested suppliers may provide responses (“preferably including counter-terms such as the supplier's suggested price, delivery

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3date or schedule and any other relevant terms and conditions for providing the product to the buyer).”)-see para. 30;

automatically performing a matching operation to detect a correspondence between the pre-order and the offer, the matching operation utilizing at least one pre-order attribute of the plurality of pre-order attributes and at least one offer

attribute of the offer attributes to detect the correspondence(“the present invention relates to systems and methods for dynamically matching, in a networked environment, a person or business entity requesting a specialized product...with a person or business entity capable of providing that product.”)-see para. 10 and (“buyer describes good and/ or service which it wishes to procure”)-see para. 30, and para. 32.

Gillman discloses an electronic buying system and method that dynamically matches, over the World Wide Web, a person or business entity requesting a specialized product with a person or entity capable of providing that product. -para. 10. Gillman further discloses (“The electronic buying system may also allow a supplier to bid on a RFQ using a self-adjusting bid. A self-adjusting bid gives a supplier increased bidding flexibility while decreasing the amount of time spent watching the auction progress. With this type of bid, the supplier's offer will be automatically lowered if a lower price is entered (bid) by a competing supplier. The supplier preferably determines the bid increment (decrement) for this type of bid, and the supplier also ...has the ability to specify a floor...”)-see para. 43. Gillman further discloses the self-adjusting feature which automatically adjusts the price so that a bidder need not continually monitor a particular auction to succeed. -para. 13.

responsive to a detection of the correspondence by the matching operation, automatically performing a transaction facilitating operation to facilitate establishment of a transaction whereby the pre-order is satisfied by the offer to sell the item-see pars. 42, 48-49. It is obvious that Gillman is automatically performing a transaction facilitating operation in facilitating a transaction by automatically matching buyer and seller trade criteria through self-adjusting bidding. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Gillman to specifically include that a transaction is facilitated when the bidding criteria between a seller and buyer are matched through the system performing the automatic self-adjusting bidding process in order for the process to function automatically without the bidder constantly monitoring the auction.

Re claim 2: Gillman discloses wherein the at least one pre-order attribute includes an item price-see para.30.

Re claim 6: Gillman discloses wherein one offer attribute includes an item price ("interest suppliers may provide responses(preferably including counter-terms such as the supplier's suggested price...")-see para. 30.

Re claim 7: Gillman discloses the matching operation utilizes multiple pre-order attributes and multiple offer attributes to detect the correspondence.-see para. 32.

Re claim 8: Gillman discloses wherein the correspondence includes a correspondence above a minimum threshold –see (bid floor, self-adjusting bid, bid increments) para. 43.

Re claim 9: Gillman discloses the pre-order attributes specifies a criterion, and the detecting of the correspondence includes determining whether the criterion is met or exceeded.-see para. 30, (information about the product), also see pars. 32, 38, 42.

Re claims 10 and 13: Gillman discloses the transaction facilitating operation includes communicating the pre-order to a seller from which the offer to sell was received and the pre-order communicating a subset of the plurality of pre-order attributes to the seller. -see pars. 30,34,35,42.

Re claim 11: Gillman disclose the communication of the pre-order to the seller occurs prior to a publication of the offer to sell by the transaction facility.-see para. 35

Re claim 12: Gillman disclose wherein the communication of the pre-order includes communicating to the seller a user-selectable option to instantly satisfy the pre-order with the offer thereby to establish the transaction.-see (“the system allows the buyer to have broad discretion to prematurely end the bidding, whether or not a ‘winner’ is chosen and/or a deal for the forging is consummated.”)-see para. 45.

Re claims 14-16: Gillman discloses “Buyers 40 and suppliers 30 may gain entry to this web-based system...”)-see pars. 27-29.

Re claim 17: Gillman discloses including communicating comparative price information to the seller in conjunction with the pre-order-see para. 39.

Re claim 19: Gillman discloses automatically establishing the transaction whereby the pre-order is satisfied by the offer when all of the pre-order attributes are satisfied by the offer attributes.-see para. 49.

Re claim 21: Gillman discloses the item includes any one of a group of items including goods and services.-see pars. 11, 87.

Re claims 22-24: Gillman discloses wherein multiple instances of the item are in existence, and the pre-order relates to any one of the multiple instances of the item that satisfies the pre-order attributes, wherein the offer to sell relates to a specific instance of the multiple instances of the item, and wherein a single instance of the item is in existence, and both the pre-order and the order relate to the single instance of the item. —see pars. 10, 13, 30,32, 35.

Re claims 25-27, 29,30: Gillman discloses:

responsive to user identification of an offering, communicating offering information to a user regarding the offering; and in conjunction with the offering information, communicating to the user a selectable option to pre-order the offering by specifying pre-order attribute information.

wherein the offering information relates to a specific offering and includes offer attribute information , and wherein the pre-order attribute information is specifiable by the user to be different from the offer attribute information;

responsive to selection by the user of the option to pre-order, soliciting the pre-order attribute information from the user;

wherein the user interface presents a plurality of a default of inputs for each plurality of pre-order attributes;

wherein the pre-order attribute information includes a price.

-see para. 30, and Figures 2-3.

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Re claim 28: Gillman discloses the soliciting of the pre-order information includes causing display of a user interface to the user to receive the pr-order attribute information-see pars. 24 and 29, figures 2-3.

Re claims 31,32, 36-47,49, 51-60: Further a system would have been necessary to perform the method of previously rejected claims 1,2, 6-17, 19, 21-30 and are therefore rejected using the same art and rationale.

Re claim 61: Further a commerce system would have been necessary to perform the method of previously rejected claim 1 and is therefore rejected using the same art and rationale.

Re claim 62: Further a machine readable medium would have been necessary to perform the method of previously rejected claim 1 and is therefore rejected using the same art and rationale.

5. Claims 3, 4, 33 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gillman in view of Force (US Patent No. 6,704,716).

Re claims 3,4: Gillman does not disclose wherein the seller rating is established based on a trading history of a seller from which the offer originates, the seller rating determined by input received from other users. Force however, teaches seller's rating determined by past transaction history, comments about the seller from previous bidders.-see col. 5 lines 61-64. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Gillman to include rating a seller based on past transaction history in order for the buyer to deal with seller's who are reputable.

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Re claims 33, 34: Further a system would have been necessary to perform the method of previously rejected claims 3 and 4 and are therefore rejected using the same art and rationale.

6. Claims 5, 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gillman in view of Godin (U.S. Patent No. 5,890,138).

Re claim 5: Gillman does not specifically disclose the item description comprises a UPC code. Godin however, teaches a computer auction system supporting reverse auctions wherein the description of an item includes a UPC code.- see col. 3 lines 29-40 and Figure 4. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Gillman to include a UPC code in order for the buyer and seller to easily identify the product being auctioned.

Re claim 35: Further a system would have been necessary to perform the method of previously rejected claim 5 and is therefore rejected using the same art and rationale.

7. Claims 18, 48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gillman in view of Pepin (PG. Pub. No. 2002/0042835).

Re claim 18: Gillman does not disclose wherein the comparative price information includes, for the item, a current low price for an item substantially similar to the current item and a minimum listing price. Pepin however, teaches ("the user may select then indication, which informs the users of all duplicate parts currently being offered in all marketplaces supported by system. In this manner, the user may check the terms and conditions price quantity, bid, value sold price of all products currently

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being auctioned for the similar products.”) –see para. 11. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Gillman to include the user checking the sold price, and bids of similar products being auctioned as taught by Pepin in order to ensure that the item being sold is priced properly and therefore provide the seller with the best selling price.

Re claim 48: Further a system would have been necessary to perform the method of previously rejected claim 18 and is therefore rejected using the same art and rationale.

8. Claims 20, 50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gillman in view of Fickes. (Fickes, Michael. “Waste Web”. Waste Age. Overland Park: Aug. 2000. Vol. 31, Iss. 8, pg. SS6, 9 pgs.).

Re claims 20: Although Gillman discloses the supplier submitting multiple job quotes or bids in pars. 13 and 44, Gillman does not specifically teach the offer to sell is received as part of a batch of offers from the seller to sell a plurality of items. Fickes however, teaches (“Our software offers a way to put up their bid locations in a batch all at once. They transmit the data to us, and we put it up on the service. The same principle works for a small restaurant chain with five or six locations.”). –see p. 10 para.

8. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Gillman to include receiving bids from a user by a batch process as taught by Fickes in order to provide the user the best price and to consolidate multiple orders.

Re claim 50: Further a system would have been necessary to perform the method of previously rejected claim 20 and is therefore rejected using the same art and rationale.

Response to Arguments

9. Applicant's arguments with respect to claims 1-62 have been considered but are moot in view of the new ground(s) of rejection.

Claim 25: In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., facilitating process is initiated by the supplier via the offering, but is not initiated by the buyer) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Conclusion

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elda Milef whose telephone number is (571)272-8124. The examiner can normally be reached on Monday -Friday 9:00 am to 5:00 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571)272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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/Kambiz Abdi/
Supervisory Patent Examiner, Art Unit 3692

Elda Milef
Examiner
Art Unit 3692